



Investment Objective

To achieve capital preservation over the medium term while providing a stable long term and secured income return by investing primarily in a portfolio of investment grade fixed income securities.

Investor Profile

The fund is suitable for investors who seek a stable income stream and have a medium to long term investment horizon.

Investment Strategy & Approach

The Managers employ a rigorous and structured investment approach in evaluating the various bond investments and their credit risks. The fund will be invested in the Malaysian government securities, money market instruments and private debt securities with a minimum rating of A3 by RAM or its equivalent.

Fund Manager

Affin Hwang Asset Management Bhd

Fund Details

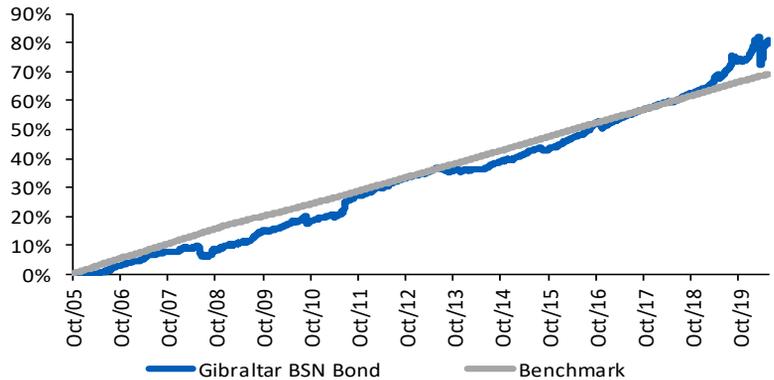
Unit NAV RM0.8585
 Fund Size RM31.5 million
 Inception Date 29 September 2005
 Management Fee 1.00% per annum

Top 5 Holdings

LPPSA 5.1% 7.5%
 YTL Power International 4.99% 6.9%
 MGS 3.90% 6.8%
 GII 3.422% 6.6%
 IJM Land 5.65% 6.6%

Data as at 31 May 2020

Cumulative Performance Since Inception as at 31 May 2020



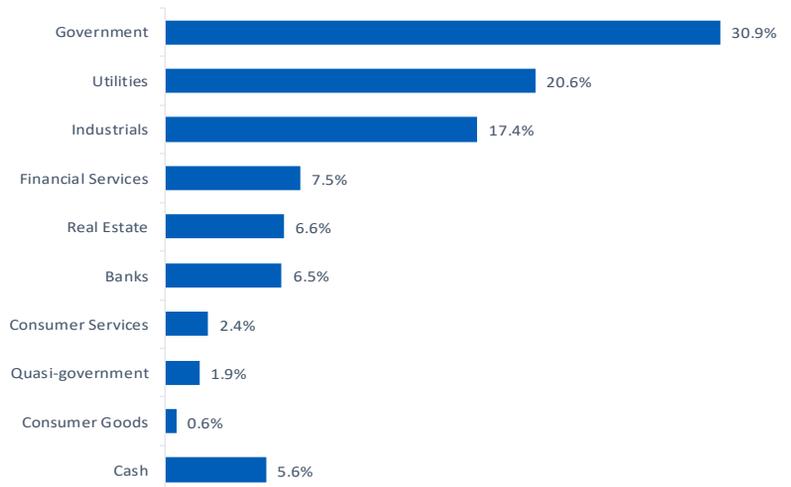
Performance Table as at 31 May 2020

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	0.6%	-0.2%	3.7%	3.1%	7.4%	16.7%	26.6%	80.7%
Benchmark	0.3%	1.0%	2.1%	1.7%	4.4%	13.9%	23.4%	69.2%

- Benchmark: 1-year Maybank FD rates + 150 bps
- Source: Bloomberg & Gibraltar BSN Life Bhd

Past performance is not indicative of future performance and the performance of the fund is not guaranteed.

Portfolio Composition as at 31 May 2020



Source: Affin Hwang Asset Management



Manager's Comment

The Fund has appreciated by 80.7% since inception on 29th Sept 2005 or by 4.1% compounded annual return.

Market Review

In the May MPC meeting, BNM cut its OPR by 50bps to 2% as expected by the market. Market was relatively muted as it seemed rate cut had been priced in with slight profit taking among locals with yield adjusting ~10 bps higher. Towards month end, market saw improved bids for short to mid tenure bonds driven by foreign flows with yields declining. However, long tenure bonds continued to be sold off. Meanwhile, corporate bond spreads widened further for short to mid tenure bonds during the month while spreads tightened for longer tenure bonds.

1QGDP was better than expected at +0.7% year-on-year compared to consensus expectation of a 1.0% contraction; but remain the weakest since 3Q2009. This was despite MCO being implemented on 18 March.

Market Outlook

Despite improvement in the global control of Covid-19 and gradual reopening of economies worldwide, global central banks are still expected to remain dovish as they try to cushion the impact. We expect bond yields to remain low at least over the near term as there is still abundant global and local liquidity, although some volatility can be expected as US-China tensions flare again with the ongoing protest escalating in the US.

In the next BNM MPC meeting in July, consensus is calling for a 25bps cuts. We do not rule out this possibility should economic data continue to remain soft over the next few weeks. In the Corporate bond segment, we expect a pick up in new primary issuances especially focused in the GG and AAA space.

Based on the above, we favour a slightly long duration. However, we are taking a gradual approach in redeploying into the market given expectations of a larger fiscal deficit.

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